

# Teachers' Retirement System of Louisiana (TRSL)

Program Authorization: Const. Art. 10, Section 29; R.S. 11:701 et seq.

## Agency Description

TRSL is a defined benefit pension plan, established by the state legislature on August 1, 1936, to provide retirement benefits for retired members and their beneficiaries.

## FY 2019-2020 Budget Summary

	<u>Prior Year</u> <u>Actuals</u> <u>FY 17-18</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 18-19</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 19-20</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>	<u>%</u> <u>Change</u>
<b>Expenditures &amp; Request:</b>					
Personnel Services	\$ 14,328,832	\$ 16,048,000	\$ 16,566,952	\$ 518,952	3.2%
Operating Expenses	2,265,380	2,639,000	2,694,000	55,000	2.1%
Professional Services	789,965	990,000	959,000	(31,000)	(3.1%)
Other Charges/Interagency Transfers	75,639	86,000	86,000	0	0.0%
Acquisitions & Major Repairs	<u>267,927</u>	<u>360,000</u>	<u>340,000</u>	<u>(20,000)</u>	<u>(5.6%)</u>
<b>Total Administrative Expenses</b>	<b>17,727,743</b>	<b>20,123,000</b>	<b>20,645,952</b>	<b>522,952</b>	<b>2.6%</b>
Investment Management Fees	<u>38,530,790</u>	<u>44,000,000</u>	<u>44,000,000</u>	<u>0</u>	<u>0.0%</u>
<b>TOTAL EXPENDITURES &amp; REQUEST</b>	<b><u>\$ 56,258,533</u></b>	<b><u>\$ 64,123,000</u></b>	<b><u>\$ 64,645,952</u></b>	<b><u>\$ 522,952</u></b>	<b><u>0.8%</u></b>

## Authorized Full-Time Equivalents:

Classified	143	143	143	0	0.0%
Unclassified	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>	<u>0.0%</u>
<b>Total FTEs</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>0</b>	<b>0.0%</b>

### **Major Changes from Existing Operating Budget: TRSL**

\$	64,123,000	<b>FY 18-19 Existing Operating Budget</b>
\$	518,952	Personnel Services
\$	-	Travel
\$	65,000	Operating Services
\$	(10,000)	Supplies
\$	(31,000)	Professional Services
\$	-	Other Charges
\$	-	Interagency Transfers
\$	(20,000)	Acquisitions
\$	-	Investment Expenses
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\$	<b>64,645,952</b>	<b>FY 19-20 Proposed Operating Budget</b>
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**FY 2019-2020 Budget Summary: TRSL**

	<u>Prior Year</u> <u>Actuals</u> <u>FY 17-18</u>	<u>Existing</u> <u>Operating</u> <u>Budget</u> <u>FY 18-19</u>	<u>Proposed</u> <u>Operating</u> <u>Budget</u> <u>FY 19-20</u>	<u>Total</u> <u>Proposed</u> <u>Over/Under</u> <u>Existing</u>	<u>%</u> <u>Change</u>
<b>Expenditures &amp; Request:</b>					
<b>Personnel Services</b>					
Salaries (staff)	\$9,424,383	\$10,515,000	\$10,766,769	\$251,769	2.4%
Overtime	73,838	50,000	50,000	0	0.0%
Termination/Temporary Wages	190,171	70,000	70,000	0	0.0%
Student labor	20,277	50,000	50,000	0	0.0%
Per Diem - Board Members	13,800	21,000	21,000	0	0.0%
Related benefits	4,606,362	<u>5,342,000</u>	<u>5,609,183</u>	<u>267,183</u>	<u>5.0%</u>
<b>Total Personnel Services</b>	<b>\$14,328,831</b>	<b>\$16,048,000</b>	<b>\$16,566,952</b>	<b>\$518,952</b>	<b>3.2%</b>
<b>Travel Expenses</b>	<b>\$66,604</b>	<b>\$109,000</b>	<b>\$109,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>Operating Expenses</b>					
Advertising	\$11,029	\$6,500	\$9,500	\$3,000	46.2%
Printing	58,016	42,600	70,530	27,930	65.6%
Insurance	114,009	110,000	190,000	80,000	72.7%
Automotive repairs	2,572	4,000	4,000	0	0.0%
Maintenance - Equipment/Computer	472,185	557,650	577,800	20,150	3.6%
Rentals-building	830,369	834,000	834,000	0	0.0%
Rentals-equipment	85,415	99,000	89,000	(10,000)	-10.1%
Rentals-data storage	81,128	80,000	83,000	3,000	3.8%
Dues and subscriptions	81,746	85,535	88,263	2,728	3.2%
Postage	318,413	455,715	428,715	(27,000)	(5.9%)
Telephone	67,279	88,000	88,000	0	0.0%
Bank Charges, Other Charges, Mail Svcs.	<u>32,434</u>	<u>87,000</u>	<u>52,192</u>	<u>(34,808)</u>	<u>(40.0%)</u>
<b>Total Operating Services</b>	<b>\$2,154,595</b>	<b>\$2,450,000</b>	<b>\$2,515,000</b>	<b>\$65,000</b>	<b>2.7%</b>
<b>Supplies</b>	<b>\$44,182</b>	<b>\$80,000</b>	<b>\$70,000</b>	<b>(\$10,000)</b>	<b>(12.5%)</b>
<b>Professional Services</b>					
Accounting and Auditing	\$108,156	\$123,000	\$123,000	\$0	0.0%
Management & Consulting	12,730	39,281	55,000	15,719	40.0%
Actuarial	220,925	285,561	230,720	(54,841)	(19.2%)
Legal	73,321	100,280	92,780	(7,500)	(7.5%)
Medical	78,375	100,000	100,000	0	0.0%
Other Professional Services	<u>296,459</u>	<u>341,878</u>	<u>357,500</u>	<u>15,622</u>	<u>4.6%</u>
<b>Total Professional Services</b>	<b>\$789,966</b>	<b>\$990,000</b>	<b>\$959,000</b>	<b>(\$31,000)</b>	<b>(3.1%)</b>
<b>Other Charges</b>					
Educational Expense & Other	\$17,060	\$21,000	\$21,000	\$0	0.0%
<b>Total Other Charges</b>	<b>\$17,060</b>	<b>\$21,000</b>	<b>\$21,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>Interagency Transfers</b>					
Department of Civil Service & Other	\$58,579	\$65,000	\$65,000	\$0	0.0%
<b>Total Interagency Transfers</b>	<b>\$58,579</b>	<b>\$65,000</b>	<b>\$65,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>Acquisitions</b>	<b>\$267,927</b>	<b>\$360,000</b>	<b>\$340,000</b>	<b>(\$20,000)</b>	<b>(5.6%)</b>
<b>Total Administrative Expenses</b>	<b>\$17,727,744</b>	<b>\$20,123,000</b>	<b>\$20,645,952</b>	<b>\$522,952</b>	<b>2.6%</b>
<b>Investment Expenses</b>	<b>\$38,530,790</b>	<b>\$44,000,000</b>	<b>\$44,000,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total Expenditures &amp; Request:</b>	<b>\$56,258,534</b>	<b>\$64,123,000</b>	<b>\$64,645,952</b>	<b>\$522,952</b>	<b>0.8%</b>

## **Investment Management Fees: TRSL**

Funding of Investment Expenses: Senate Resolution No.175 of the 2005 Regular Session requires a quarterly report of the amount of funds invested, a listing of each investment and with whom, the annual returns and fees paid for services to the Senate Retirement Committee.

### **Investment Custodian**

\$ 390,000 BNY Mellon

### **Investment Advisors**

\$ 17,199,638 Domestic Equity

\$ 8,712,724 International Equity

\$ 2,168,000 Domestic Fixed Income

\$ 6,697,638 Core Real Estate

\$ 1,700,000 Alternative Investment Manager

\$ 5,329,000 Global Fixed Income

\$ 730,000 Global REIT

\$ 748,000 Investment Consultants

\$ 325,000 Investment Monitoring & Compliance

**\$ 44,000,000** **Total Investment Management Fees**

## Performance Information: TRSL

	<u>Actual at</u>		<u>Actual at</u>		<u>Projected at</u>
		<u>6/30/2017</u>		<u>6/30/2018</u>	<u>6/30/2018</u>
<b>Membership Census</b>					
1) Retirees		77,258		78,423	n/av
2) Actives		84,228		85,045	n/av
3) DROP		2,478		2,420	n/av
4) Terminated Vested		6,941		7,211	n/av
Annual Benefits	\$	1,939,661,208	\$	1,986,400,248	n/av
Valuation Assets	\$	19,210,425,004	\$	20,319,561,584	n/av
Experience Account	\$	37,154,395	\$	85,129,775	n/av
<b>Investment Yield</b>					
Market Value		15.55%		11.35%	n/av
Actuarial Value		9.15%		9.48%	n/av
Unfunded Accrued Liability	\$	10,552,198,909	\$	10,552,318,323	n/av
Funded Ratio		64.5%		65.8%	n/av
<b>Employee Contribution Rate (set by statute)</b>					
Regular Plan		8.000%		8.000%	8.000%
Plan A		9.100%		9.100%	9.100%
Plan B		5.000%		5.000%	5.000%
<b>Employer Contribution Rate (aggregate)</b>					
		<u><b>FY 2017-18</b></u>		<u><b>FY 2018-19</b></u>	<u><b>FY 2019-20</b></u>
Normal Cost		4.20%		4.25%	3.15%
UAL		22.20%		21.80%	22.00%
Administrative Exp. Rate*		-----		<u>0.45%</u>	<u>0.45%</u>
Total		<b>26.40%</b>		<b>26.50%</b>	<b>25.60%</b>

n/av = not available at this time

\* Direct funding of administrative expenses, per Act 94 of 2016